

ACCC inquiry into NBN access pricing

Submission from Finder

Thank you for the opportunity to provide input to the ACCC inquiry into NBN access pricing.

[Finder.com.au](https://finder.com.au) ("Finder", "we") is Australia's most visited comparison site with more than 2.6 million Australians using our site per month. Finder compares over 1,800 brands across more than 100 product categories including personal finance, insurance, telecommunications and energy. Our business continues to be privately owned by two Australians: Fred Schebesta and Frank Restuccia.

Our broadband pricing comparison and NBN Tracker are amongst the most popular comparison tools we offer. While interest in this area is high, the evidence suggests that confusion about NBN pricing and options is widespread amongst Australian consumers.

Finder research shows that the NBN has not served as a conduit to consumers actively seeking better deals. A survey of 1,216 NBN users by Finder in 2018 found that 79% of NBN customers stayed with the telco provider they already used. Amongst 1,073 customers who hadn't switched, just 18% anticipated changing providers. We would expect those percentages to be even higher amongst customers who only want a basic package.

Our consumer surveys also continue to show a strong demand for basic broadband packages. Our most recent survey of 4,237 Australian Internet users from October 2019 showed that 39% did not have an NBN plan and that 66% of these non-NBN users were satisfied with their Internet speed. Basic Internet packages still make up a significant proportion of Australian plans and there is an audience that is happy with the level of service being provided.

Below we have provided brief responses to questions from the discussion paper where we can offer relevant input.

4. Do you have any comments on the pricing principles proposed by the ACCC for assessing NBN Co's access prices?

Finder is particularly supportive of the principles that "End-users should be no worse off as a consequence of migrating to the NBN" and "Pricing arrangements should not be unduly complex". Our ongoing research suggests that consumers are confused about what NBN migration means, and that complex retail pricing makes comparison difficult for many of them. This has resulted in the high degree of switching inertia evident in the NBN wholesale figures. We also continue to see a demographic that demands basic broadband packages. Enforcing the above principles with entry-level plans will help ensure a more competitive market.

17. What do you see as the pros and cons of establishing the price related terms and conditions of access to a basic broadband access product by way of a new product bundle or being implemented by way of a partial waiver/discount?

We would view a new product bundle as the preferred approach. As our research shows, many consumers are already confused about the NBN and adding further complexity through partial waivers and/or discounts will only make this worse. We believe that a new product bundle will make plans easier to understand and to compare, which should help to improve uptake with price-sensitive customers.

21. Should this be left to individual dimensioning choices of access seekers acquiring a scalable basic access product or should a separate limited quota access product be developed?

Consumer expectations are increasingly that communications services will offer unlimited options. This is evident in the mobile phone market, where even basic plans now typically offer unlimited calls and texts to Australian numbers. As such, a limited quota access product is likely to have limited appeal.

30. What level of charges do you consider reasonable for these service transfer and reversal charges? Should these be implemented by way of a price change or via a discount?

Competition and consumer savings are maximised when switching is easy and cost-free. Again we have seen this in the mobile phone plan market, where number porting is not a barrier to switching and there's no cost to consumers for switching when they are out of contract. The current approach in the broadband industry actively discourages switching and makes customers more likely to remain with their incumbent provider rather than switching to a better value deal for their needs.

Finder would support a regulated price change for switching, ideally with the price set to a point that is as low as possible while taking into account the actual costs to NBN Co of making the switch. Offering this as a discount would be notably less effective, as there would be no guarantee of its continuation and the discount might be dependent on other elements of the deals struck by individual wholesalers with NBN Co. Further, a discount-based approach would not create a level playing field or encourage new entrants into the market.